

**13-14-206 Site-control agreements.**

- (1) A site-control agreement entered into on or after May 11, 2010:
- (a) may be voluntarily terminated by a franchisee, subject to Subsection (2)(a); and
  - (b) terminates immediately upon:
    - (i) a franchisor's sale, assignment, or other transfer of the right to manufacture or distribute the line-make of vehicles covered by the franchisee's franchise;
    - (ii) a franchisor's ceasing to manufacture or distribute the line-make of vehicles covered by the franchisee's franchise;
    - (iii) a franchisor's termination of a franchisee's franchise without cause and against the franchisee's will; or
    - (iv) the failure of the franchisor or its affiliate to exercise a right of first refusal to purchase the assets or ownership of the franchisee's business when given the opportunity to do so under the franchise or other agreement, subject to the repayment requirements of Subsection (2) if the right of first refusal arises because of the voluntary action of the franchisee.
- (2)
- (a) If a franchisee voluntarily terminates a site-control agreement after the franchisor has paid and the franchisee or other recipient has accepted additional specified cash consideration, the site-control agreement remains valid only until the franchisee or other recipient satisfies the repayment terms specified in Subsection (2)(b).
  - (b)
    - (i) If the franchisor's additional specified cash consideration was used for the construction of a building or improvement on the property that is the subject of the site-control agreement, the amount of the repayment under Subsection (2)(a):
      - (A) is based on any repayment terms specified in the site-control agreement, if the parties to the site-control agreement have willingly agreed to the terms; and
      - (B) may not exceed the market value of the portion of the building or improvement constructed with the additional specified cash consideration paid by the franchisor, after allowing for depreciation based on a market-based depreciation schedule, as determined by an independent appraiser at the request of the franchisee or other recipient.
    - (ii) If the franchisor's additional specified cash consideration was not used for construction of a building or improvement on the property that is the subject of the site-control agreement, the amount of the repayment under Subsection (2)(a) is an equitable portion of the cash consideration, as determined under any terms specified in the site-control agreement for the equitable repayment following a franchisee's voluntary termination of the agreement.
  - (c) Immediately upon the repayment under Subsection (2)(b):
    - (i) the site-control agreement is terminated; and
    - (ii) the franchisor or other party that is the beneficiary under the site-control agreement shall prepare and deliver to the franchisee a recordable notice of termination of:
      - (A) the site-control agreement; and
      - (B) any lien or encumbrance arising because of the site-control agreement and previously recorded against the property that is the subject of the site-control agreement.

Enacted by Chapter 33, 2010 General Session